

By: King, et al.

H.B. No. 46

Substitute the following for H.B. No. 46:

By: VanDeaver

C.S.H.B. No. 46

A BILL TO BE ENTITLED

AN ACT

relating to the medical use of low-THC cannabis under and the administration of the Texas Compassionate-Use Program; requiring registration.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF TEXAS:

SECTION 1. Section 487.053(a), Health and Safety Code, is amended to read as follows:

(a) The department shall:

(1) issue or renew a license to operate as a dispensing organization to each applicant who satisfies the requirements established under this chapter; and

(2) register directors, owners, managers, members, and employees of each dispensing organization.

SECTION 2. Section 487.054, Health and Safety Code, is amended by adding Subsections (c) and (d) to read as follows:

(c) Information within the registry regarding patient identification, including the fact that a person is listed as a patient in the registry, is confidential and may only be accessed by the department, registered physicians, and dispensing organizations for the purposes of this chapter. Confidential information under this subsection may not be disclosed except as authorized under this chapter and is not subject to disclosure under Chapter 552, Government Code.

(d) Notwithstanding Subsection (c), on request by a

1 patient, the department may release patient information contained
2 in the registry to the patient or a person designated by the
3 patient.

4 SECTION 3. Section 487.101, Health and Safety Code, is
5 amended to read as follows:

6 Sec. 487.101. LICENSE REQUIRED. (a) A license issued by the
7 department under this chapter is required to operate a dispensing
8 organization.

9 (b) A dispensing organization licensed under this chapter
10 is not required to apply for an additional license for the use of a
11 satellite location for secure storage of low-THC cannabis if:

12 (1) the address of the satellite location was included
13 in the application; or

14 (2) the dispensing organization obtains approval from
15 the department under Section 487.1035.

16 SECTION 4. Section 487.102, Health and Safety Code, is
17 amended to read as follows:

18 Sec. 487.102. ELIGIBILITY FOR LICENSE. An applicant for a
19 license to operate as a dispensing organization is eligible for the
20 license if:

21 (1) as determined by the department, the applicant
22 possesses:

23 (A) the technical and technological ability to
24 cultivate and produce low-THC cannabis;

25 (B) the ability to secure:

26 (i) the resources and personnel necessary
27 to operate as a dispensing organization; and

(ii) premises reasonably located to allow patients listed on the compassionate-use registry access to the organization through existing infrastructure;

(C) the ability to maintain accountability for the raw materials, the finished product, and any by-products used or produced in the cultivation or production of low-THC cannabis to prevent unlawful access to or unlawful diversion or possession of those materials, products, or by-products; and

(D) the financial ability to maintain operations for not less than two years from the date of application;

(2) each director, owner, manager, member, or employee of the applicant is registered under Subchapter D; and

(3) the applicant satisfies any additional criteria determined by the director to be necessary to safely implement this chapter.

SECTION 5. Section 487.103(b), Health and Safety Code, is amended to read as follows:

(b) The application must include:

(1) the name and address of the applicant;

(2) [7] the name and address of each of the applicant's directors, owners, managers, members, and employees;

(3) the address of any satellite location that will be used by the applicant for secure storage of low-THC cannabis under Section 487.1035; [7] and

(4) any other information considered necessary by the department to determine the applicant's eligibility for the license.

SECTION 6. Subchapter C, Chapter 487, Health and Safety Code, is amended by adding Section 487.1035 to read as follows:

Sec. 487.1035. SATELLITE LOCATIONS. (a) A dispensing organization licensed under this chapter may operate one or more satellite locations in addition to the organization's primary location to securely store low-THC cannabis for distribution.

(b) A satellite location must be approved by the department before a dispensing organization may operate the location. A dispensing organization may apply for approval in the form and manner prescribed by the department.

(c) The department must act on an application submitted under Subsection (b) not later than the 180th day after the date the application is submitted to the department.

(d) The director shall adopt rules regarding the design and security requirements for satellite locations.

(e) A dispensing organization may not operate more than one satellite location in a public health region designated under Section 121.007 until the dispensing organization operates one satellite location in each public health region.

SECTION 7. Section 487.104, Health and Safety Code, is amended by amending Subsection (b) and adding Subsections (b-1), (d), (e), and (f) to read as follows:

(b) Except as provided by Subsection (b-1), if [If] the department denies the issuance or renewal of a license under Subsection (a), the applicant is entitled to a hearing. Chapter 2001, Government Code, applies to a proceeding under this section.

(b-1) If the department denies the issuance of a license

under this section to an applicant that has never held a license under this section, the applicant is not entitled to a hearing.

(d) The department shall issue 11 licenses under this section to dispensing organizations in this state provided that the department receives applications from a sufficient number of applicants meeting the requirements for eligibility under this subchapter.

(e) The department shall issue and renew licenses under this section in a manner that ensures adequate access to low-THC cannabis for patients registered in the compassionate-use registry in each public health region designated under Section [121.007](#).

(f) The director shall adopt rules to establish a timeline for reviewing and taking action on an application submitted under this section.

SECTION 8. Subchapter [C](#), Chapter [487](#), Health and Safety Code, is amended by adding Section 487.1045 to read as follows:

Sec. 487.1045. REQUIREMENT OF LICENSE HOLDER TO BEGIN AND MAINTAIN OPERATIONS. (a) An applicant issued a license to operate a dispensing organization must begin dispensing low-THC cannabis not later than 24 months after the date the license is issued and continue dispensing low-THC cannabis during the term of a license issued under this subchapter.

(b) The director shall adopt rules to:

(1) monitor whether a dispensing organization is using a license issued under this subchapter to dispense low-THC cannabis; and

(2) revoke the license of a dispensing organization

that does not dispense low-THC cannabis within the time required by this section or that discontinues dispensing low-THC cannabis during the term of a license.

SECTION 9. Sections 487.105(a) and (b), Health and Safety Code, are amended to read as follows:

(a) An applicant for the issuance or renewal of a license to operate as a dispensing organization shall provide the department with the applicant's name and the name of each of the applicant's directors, owners, managers, members, and employees.

(b) Before a dispensing organization licensee hires a manager or employee for the organization, the licensee must provide the department with the name of the prospective manager or employee. The licensee may not transfer the license to another person before that prospective applicant and the applicant's directors, owners, managers, members, and employees pass a criminal history background check and are registered as required by Subchapter D.

SECTION 10. Section 487.107, Health and Safety Code, is amended by adding Subsection (c) to read as follows:

(c) A dispensing organization may not dispense to a person low-THC cannabis in a package or container that contains more than a total of 1.2 grams of tetrahydrocannabinols.

SECTION 11. Subchapter C, Chapter 487, Health and Safety Code, is amended by adding Section 487.1071 to read as follows:

Sec. 487.1071. CANNABINOIDS ELIGIBLE FOR DISPENSING. (a) In this section, "phytocannabinoid" means a chemical substance:

(1) created naturally by a plant of the species

Cannabis sativa L. that is separated from the plant by a mechanical or chemical extraction process;

(2) created naturally by a plant of the species Cannabis sativa L. that binds to or interacts with the cannabinoid receptors of the endocannabinoid system; or

(3) produced by decarboxylation from a naturally occurring cannabinoid acid without the use of a chemical catalyst.

(b) A dispensing organization may not dispense a low-THC cannabis product that contains a cannabinoid that is not a phytocannabinoid.

(c) A dispensing organization may not include in a product any naturally occurring chemical substance from the cannabis plant that is not a phytocannabinoid, unless the dispensing organization obtains approval from the department.

SECTION 12. Section 487.151(a), Health and Safety Code, is amended to read as follows:

(a) An individual who is a director, owner, manager, member, or employee of a dispensing organization must apply for and obtain a registration under this section.

SECTION 13. Section 487.201, Health and Safety Code, is amended to read as follows:

Sec. 487.201. COUNTIES AND MUNICIPALITIES MAY NOT PROHIBIT LOW-THC CANNABIS. A municipality, county, or other political subdivision may not enact, adopt, or enforce a rule, ordinance, order, resolution, or other regulation that prohibits the cultivation, production, storage, dispensing, or possession of low-THC cannabis, as authorized by this chapter.

SECTION 14. Section 169.001, Occupations Code, is amended by adding Subdivisions (2) and (6) and amending Subdivisions (3), (4), and (5) to read as follows:

(2) "Executive commissioner" means the executive commissioner of the Health and Human Services Commission.

(3) "Low-THC cannabis" means the plant Cannabis sativa L., and any part of that plant or any compound, manufacture, salt, derivative, mixture, preparation, resin, or oil of that plant that contains not more than:

(A) one percent by weight of tetrahydrocannabinols in each dosage unit; or

(B) for tetrahydrocannabinol administered by pulmonary inhalation, an amount of tetrahydrocannabinol equivalent to the amount described by Paragraph (A), as prescribed by rule by the executive commissioner.

(4) "Medical use" means the ingestion, absorption, inhalation, or insertion by a means of administration other than by smoking of a prescribed amount of low-THC cannabis by a person for whom low-THC cannabis is prescribed under this chapter.

(5) "Smoking" means burning or igniting a substance and inhaling the smoke. The term does not include inhaling a medication or other substance that is otherwise aerosolized or vaporized for administration by pulmonary inhalation.

(6) "Veteran" means a person who has served in:

(A) the army, navy, air force, coast guard, or marine corps of the United States;

(B) the state military forces as defined by

Section 431.001, Government Code; or
(C) an auxiliary service of one of those branches
of the armed forces.

SECTION 15. Section 169.003, Occupations Code, is amended
to read as follows:

Sec. 169.003. PRESCRIPTION OF LOW-THC CANNABIS. (a) A
physician described by Section 169.002 may prescribe low-THC
cannabis to a patient if:

- (1) the patient is a permanent resident of the state;
- (2) the physician complies with the registration
requirements of Section 169.004; and
- (3) the physician certifies to the department that:

- (A) the patient:
 - (i) is diagnosed with:
 - (a) ~~[(i)]~~ epilepsy;
 - (b) ~~[(ii)]~~ a seizure disorder;
 - (c) ~~[(iii)]~~ multiple sclerosis;
 - (d) ~~[(iv)]~~ spasticity;
 - (e) ~~[(v)]~~ amyotrophic lateral
sclerosis;
 - (f) ~~[(vi)]~~ autism;
 - (g) ~~[(vii)]~~ cancer;
 - (h) ~~[(viii)]~~ an incurable
neurodegenerative disease;
 - (i) ~~[(ix)]~~ post-traumatic stress
disorder; ~~[or]~~
 - (j) a condition that causes chronic

pain, for which a physician would otherwise prescribe an opioid;

(k) glaucoma;

(l) traumatic brain injury;

(m) spinal neuropathy;

(n) Crohn's disease or other
inflammatory bowel disease;

(o) degenerative disc disease;

(p) a terminal illness or a condition
for which a patient is receiving hospice or palliative care;

(q) [~~(x)~~] a medical condition that is
approved for a research program under Subchapter F, Chapter 487,
Health and Safety Code, and for which the patient is receiving
treatment under that program; or

(r) a medical condition designated by
the Department of State Health Services under Subsection (c); or

(ii) is an honorably discharged veteran who
would benefit from medical use to address a medical condition; and

(B) the physician determines the risk of the
medical use of low-THC cannabis by the patient is reasonable in
light of the potential benefit for the patient.

(b) Each prescription issued by a physician to a patient for
low-THC cannabis:

(1) may only provide for a 90-day supply of low-THC
cannabis based on the dosage prescribed to the patient; and

(2) may provide up to four refills of a 90-day supply
of low-THC cannabis.

(c) The Department of State Health Services may designate

medical conditions for which a physician may prescribe low-THC cannabis under this section. The executive commissioner shall adopt rules for the approval of medical conditions under this section.

(d) If a patient is diagnosed with a medical condition not listed in Subsection (a)(3)(A)(i), a physician may submit to the Department of State Health Services a request for the department to designate the condition as a medical condition for which a physician may prescribe low-THC cannabis under this section. The request must be accompanied by medical evidence such as peer-reviewed published research demonstrating that low-THC cannabis may be beneficial to treat that medical condition. The executive commissioner by rule shall prescribe the manner in which a physician may submit a request under this subsection.

SECTION 16. Chapter 169, Occupations Code, is amended by adding Section 169.006 to read as follows:

Sec. 169.006. ADMINISTRATION OF LOW-THC CANNABIS BY PULMONARY INHALATION. (a) A physician may prescribe pulmonary inhalation of an aerosol or vapor as a means of administration of low-THC cannabis if the physician determines that based on the patient's condition there is a medical necessity for that means of administration.

(b) The executive commissioner shall adopt rules:

(1) related to medical devices for pulmonary inhalation of low-THC cannabis; and

(2) establishing an amount of tetrahydrocannabinols when administered by pulmonary inhalation that is medically

1 equivalent to other means of administering low-THC cannabis.

2 SECTION 17. Not later than October 1, 2025:

3 (1) the director of the Department of Public Safety
4 shall adopt the rules necessary to implement the changes in law made
5 by this Act to Chapter 487, Health and Safety Code; and

6 (2) the executive commissioner of the Health and Human
7 Services Commission shall adopt the rules necessary to implement
8 Section 169.003, Occupations Code, as amended by this Act, and
9 Section 169.006, Occupations Code, as added by this Act.

10 SECTION 18. This Act takes effect September 1, 2025.